

Nevada's Economy: A Labor Market Perspective

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Department of Employment, Training &
Rehabilitation

Larry J. Mosley, Director

Dennis Perea, Deputy Director

Bill Anderson, Chief Economist



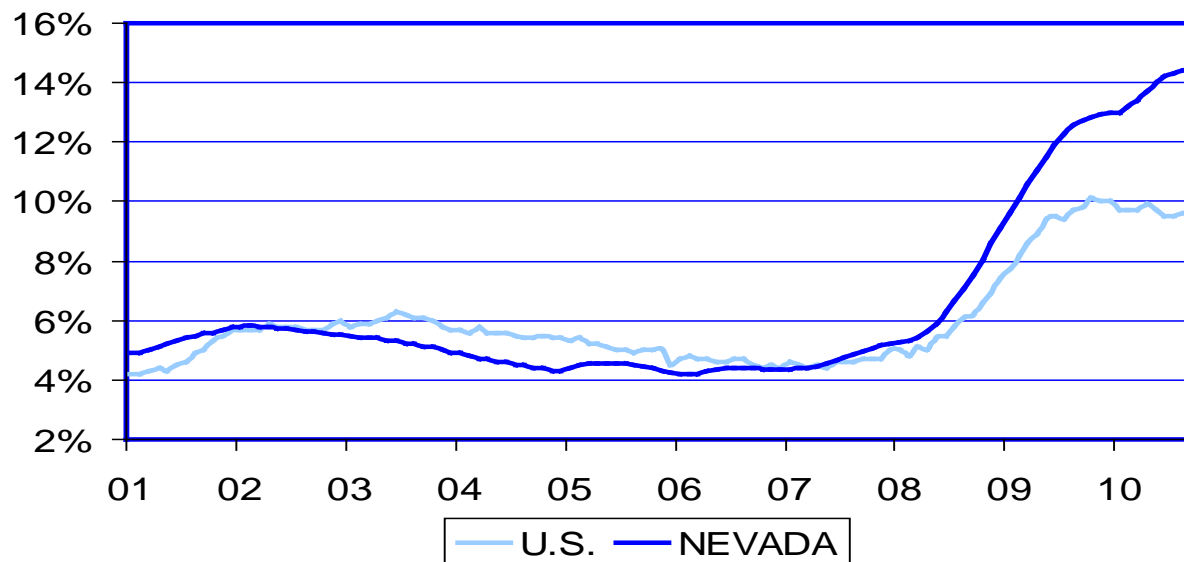
The Nevada Department of Employment, Training and Rehabilitation is a proactive workforce & rehabilitation agency

General Conclusions

- ❑ Nevada has been hit relatively hard by the recession.
- ❑ The State's largest industry, leisure/hospitality, has reversed course following years of growth.
- ❑ Activity in the construction sector has ground to a halt.
- ❑ On the plus side, tentative signs of a stabilization in the economy have emerged.
 - ❑ unemployment rates holding fairly steady
 - ❑ job losses are easing
 - ❑ initial claims for unemployment insurance trending down
- ❑ Unfortunately, there is nothing on the horizon that we see to serve as a catalyst for a return to our historical growth pattern—look for the economy to “bounce along the bottom” in the near-term.
- ❑ Looking at the long-term, modest/moderate growth, but perhaps not as subject to booms and busts.



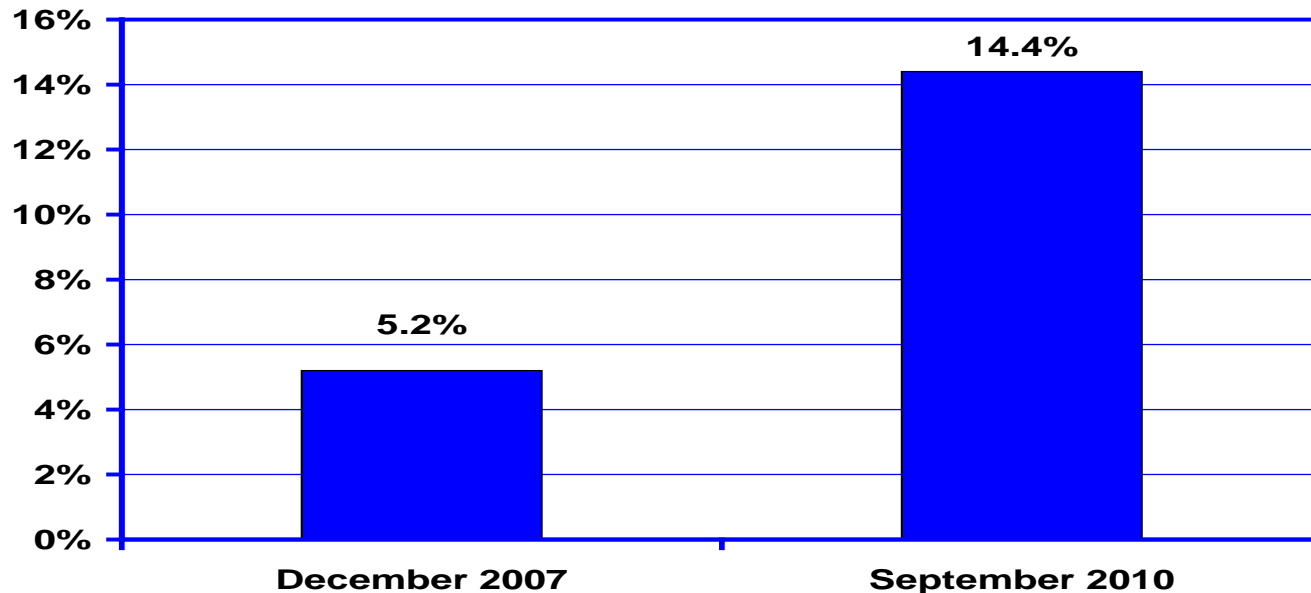
Nevada's Unemployment Rate has been Above the National Average Since Mid-2007



- ❑ In September, Nevada's unemployment rate was 14.4% vs. 9.6% for the nation as a whole.
- ❑ On the plus side, the rate of increase has been easing.



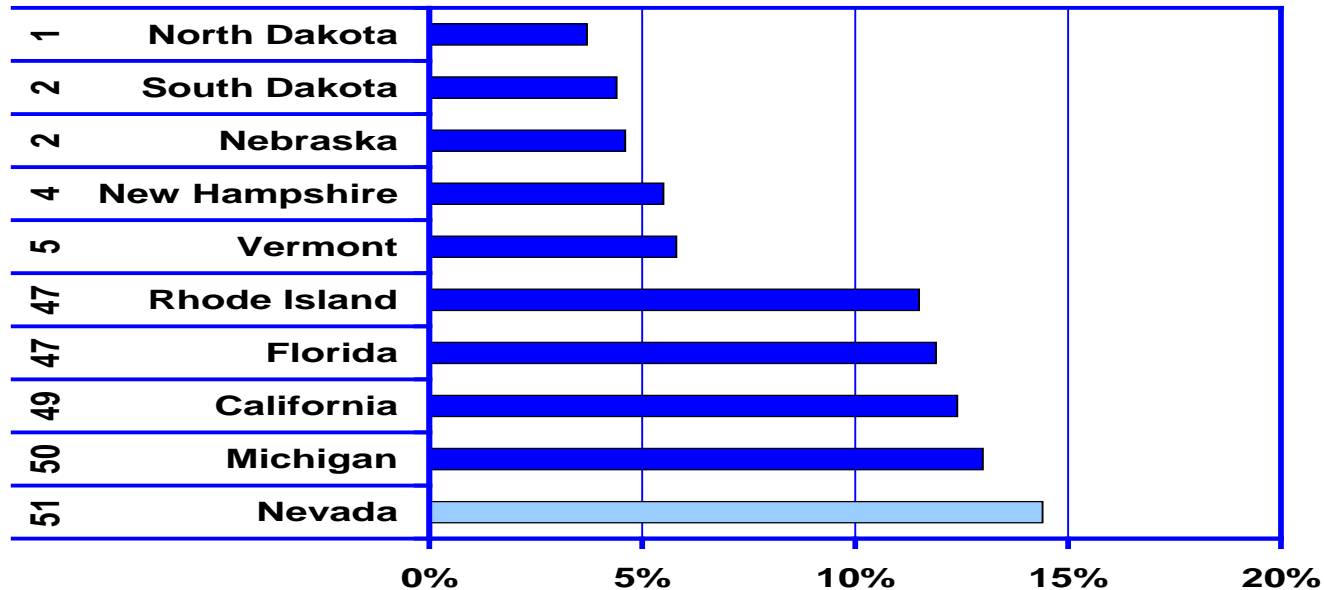
Recession Scorecard: Nevada's Unemployment Rate has Tripled Since the Official Start of the Recession



- ❑ The jobless rate has increased 9.2 percentage points over that time.



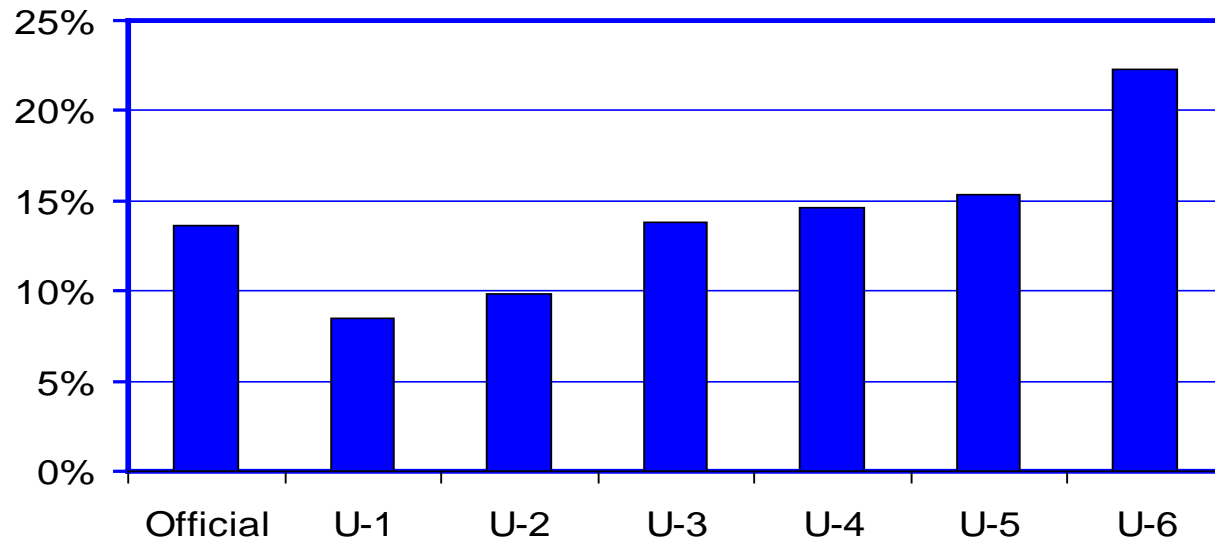
Nevada's Unemployment Rate is the Highest in the Nation



- ❑ The State's jobless is rate is 1.4 percentage points higher than Michigan's, the second-highest.



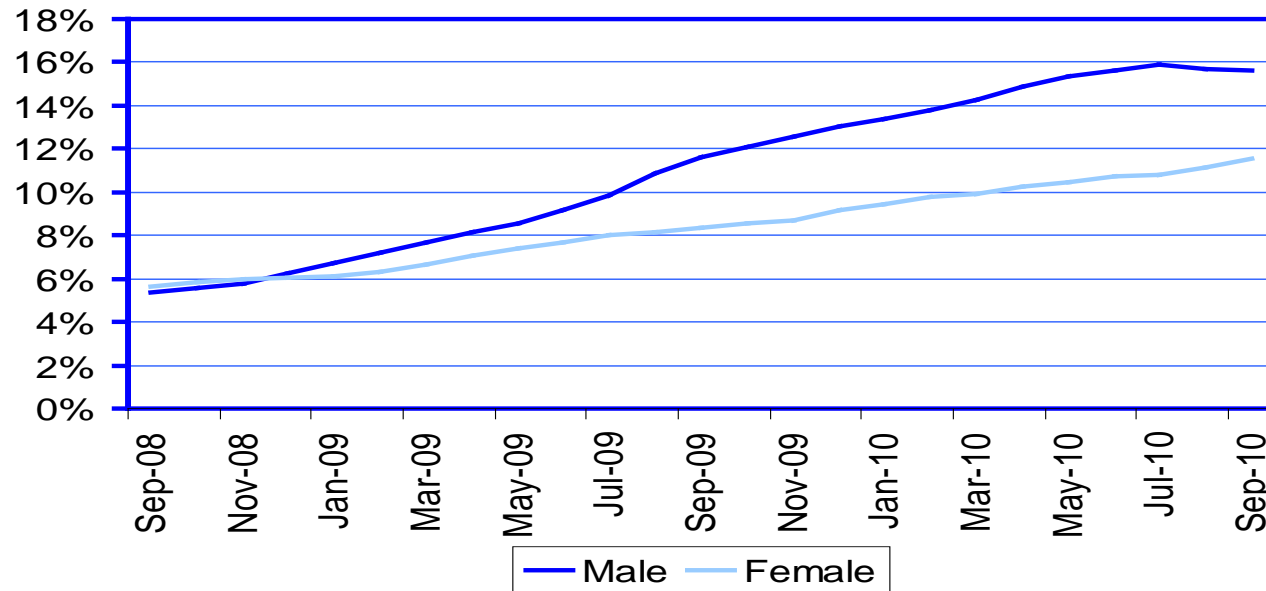
As the Definition of Unemployment is Broadened, the Jobless Rate Increases



- ❑ In the four quarters ending in 2010:IIIQ, NV's official unemployment rate was 13.6% vs. 22.3% under the broadest definition.



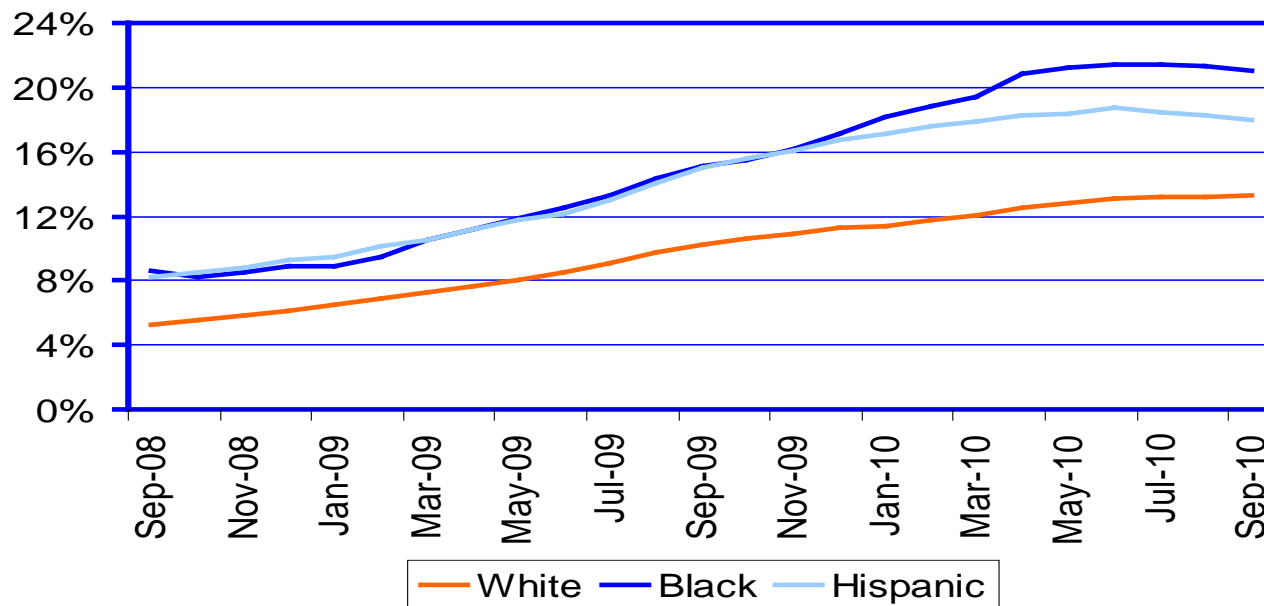
Nevada's Unemployment Rate for Males is Considerably Higher than that for Females



- ❑ 15.6% vs. 11.5%.
- ❑ This is largely a reflection of the impacts of the recession on the construction industry.



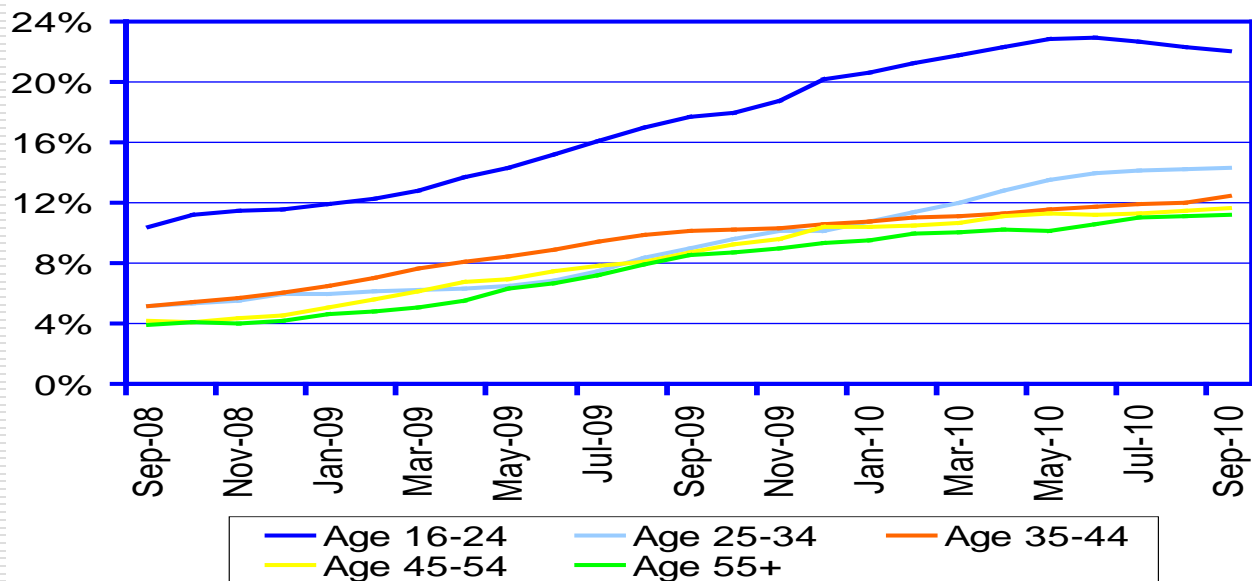
Nevada's Unemployment Rate Varies Across Demographics



- ❑ The jobless rate for Blacks and Hispanics is noticeably higher than that for the White labor force.



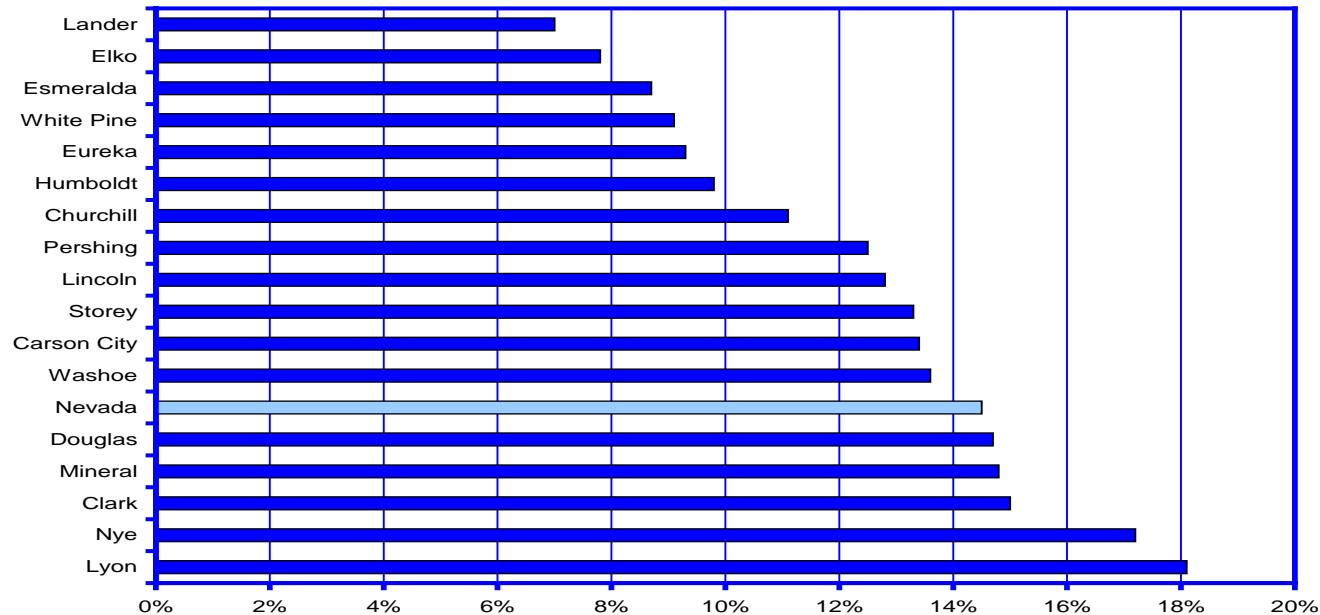
Nevada's Unemployment Rate Also Varies by Age



- ❑ The jobless rate for young Nevadans is, roughly, double that for most others.



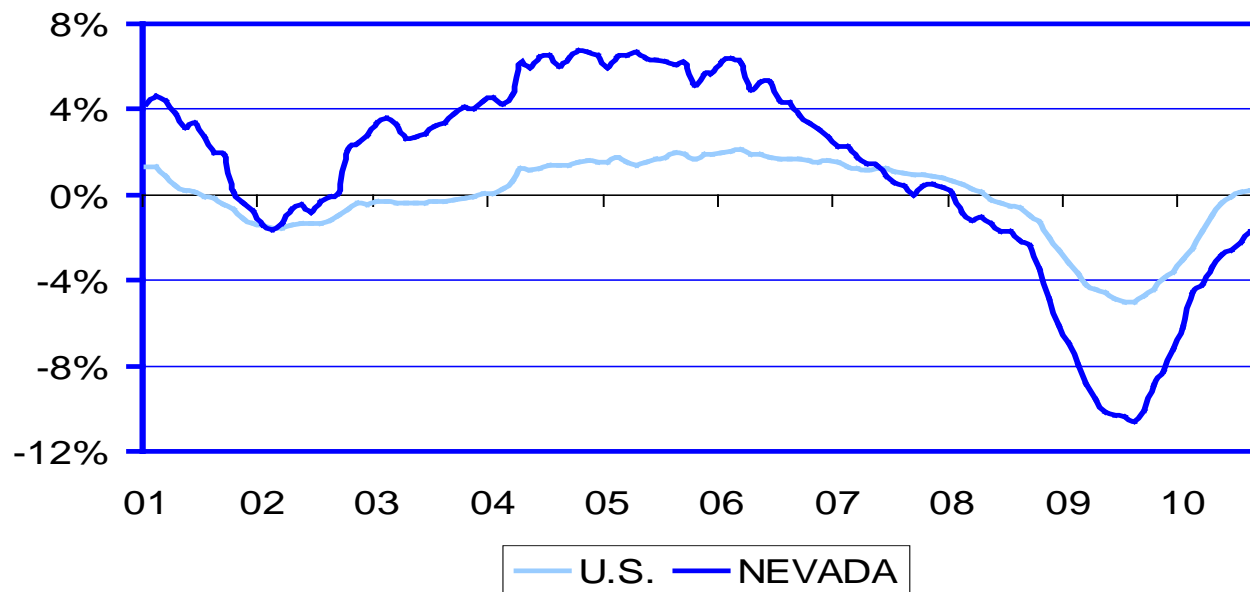
The State can be Divided Into Three Regions Based Upon the Unemployment Rate



- ☐ Hardest hit..."bedroom" communities.
- ☐ Metro/urban areas have suffered considerably.
- ☐ Rural mining regions have held up relatively well.



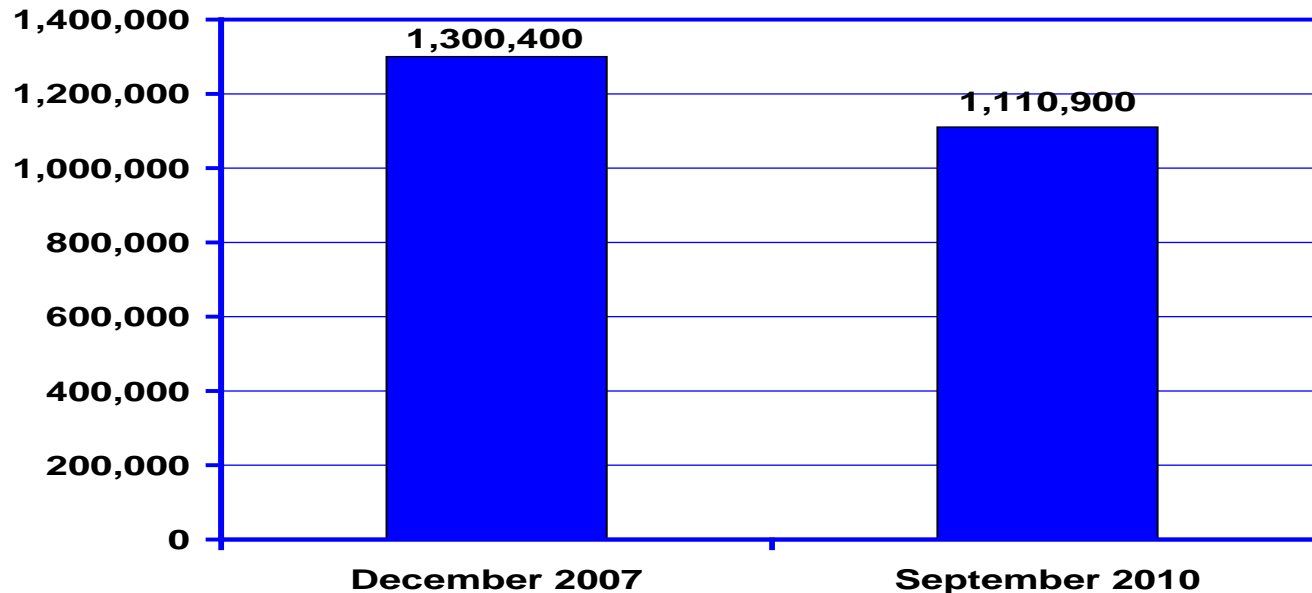
Nevada's Job Losses have been Much More Pronounced than in the Nation as a Whole



- ❑ On a positive note, job losses are easing, but there was a slight reversal in September.
- ❑ In September, jobs were down 2.1% from a year ago (-1.7% in August). In 2009, losses approached double-digits.



Recession Scorecard: Nevada Job Levels have Declined 15% Since the Official Start of the Recession

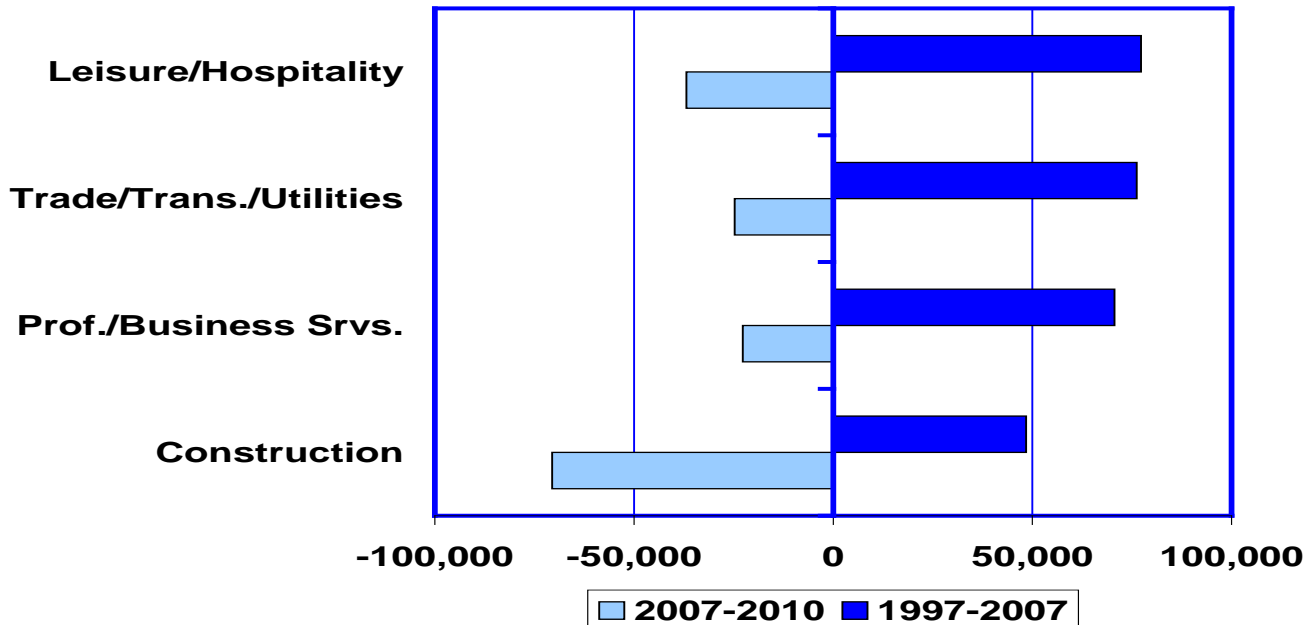


❑ This translates into 190,000 jobs.



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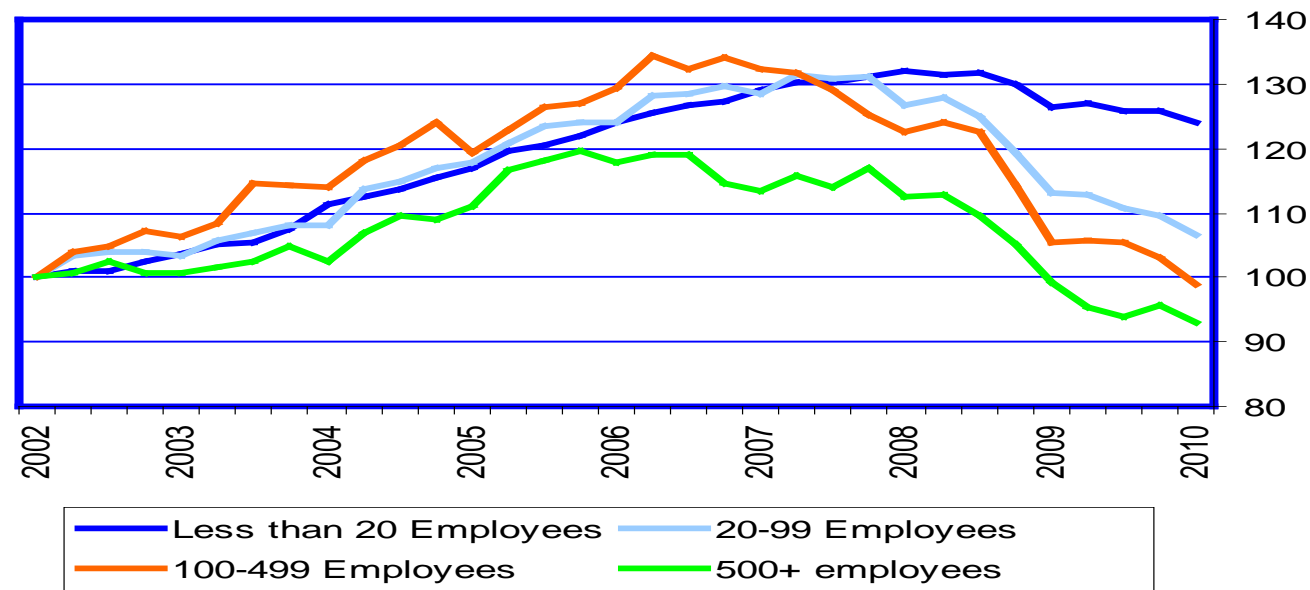
The Recession has Impacted all Sectors of the Economy



- Between 1997 and 2007, Nevada gained more than 400,000 jobs. Since 2007, job levels have declined by 180,000.
- Construction added close to 50,000 jobs in the prior period, but has lost 70,000 in the past three years.



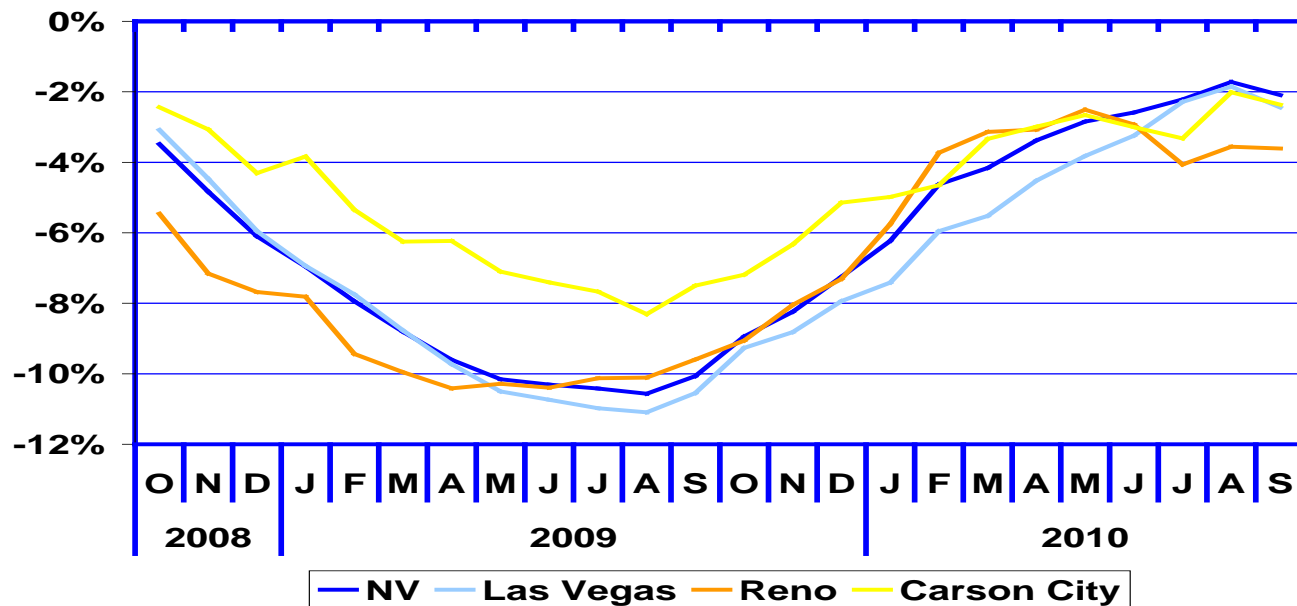
All Firms, Regardless of Size, Have Been Impacted by this Recession



- ❑ "Mid-Size" employers (100-499 employees) have seen the largest declines from peak levels. Construction accounted for a relatively large share of employment in these size classes.



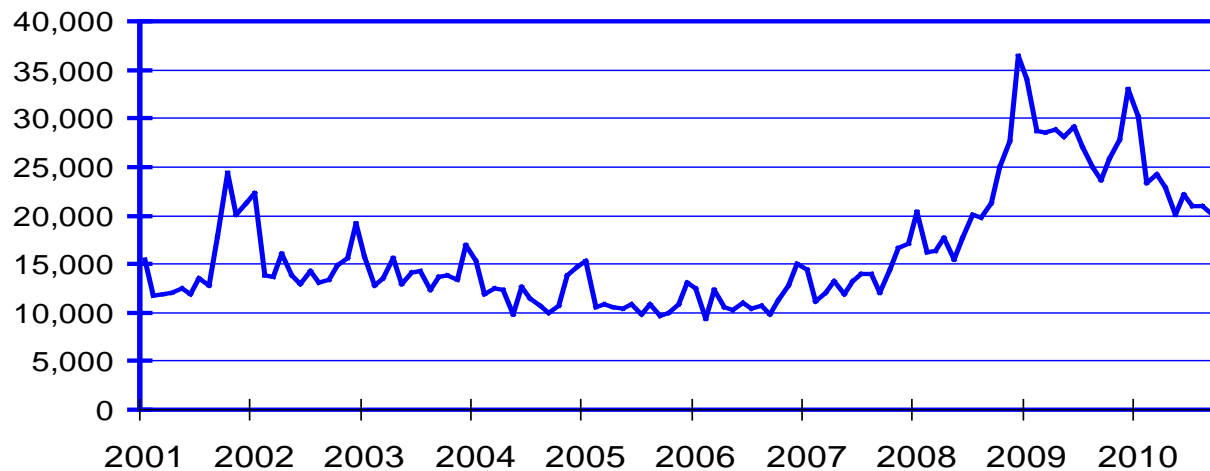
Job Growth Trends have been Fairly Similar Across the State Over the Past Two Years



- Since the start of the recession, Reno has lost 17% of its jobs, Las Vegas has lost 15.2%, and Carson City has lost 11.1%.



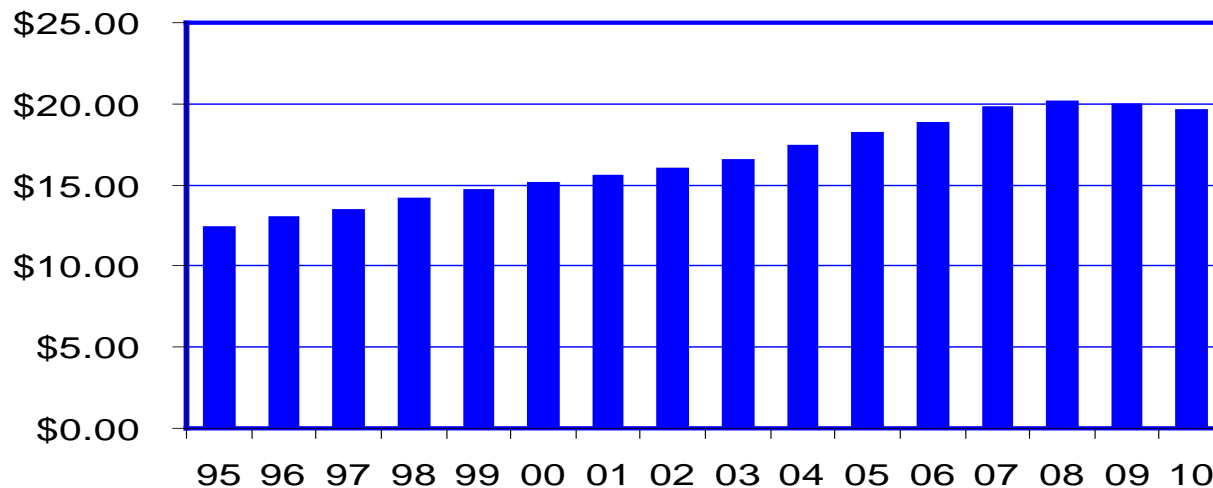
Initial Claims for Unemployment Insurance Have Eased off of Historical Highs



- However, claims activity remains at post 9/11 levels, leaving considerable room for improvement.



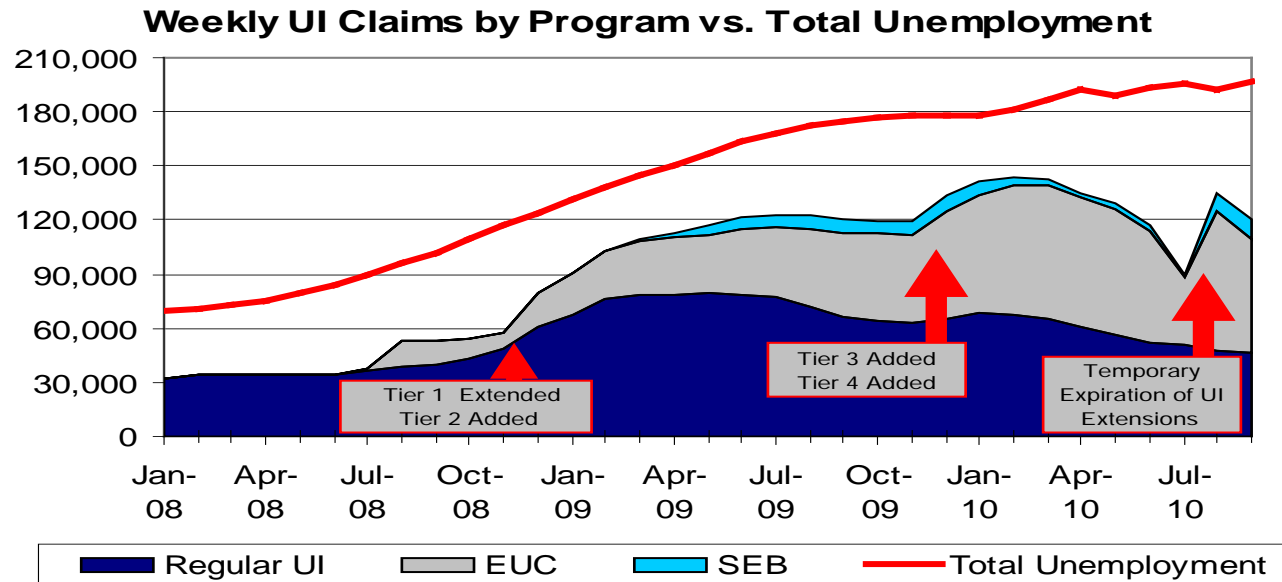
Average Hourly Earnings in the State have Hit a Plateau



- ☐ The disproportionate impacts of the recession on the construction sector, which is relatively high-paying, help explain this.



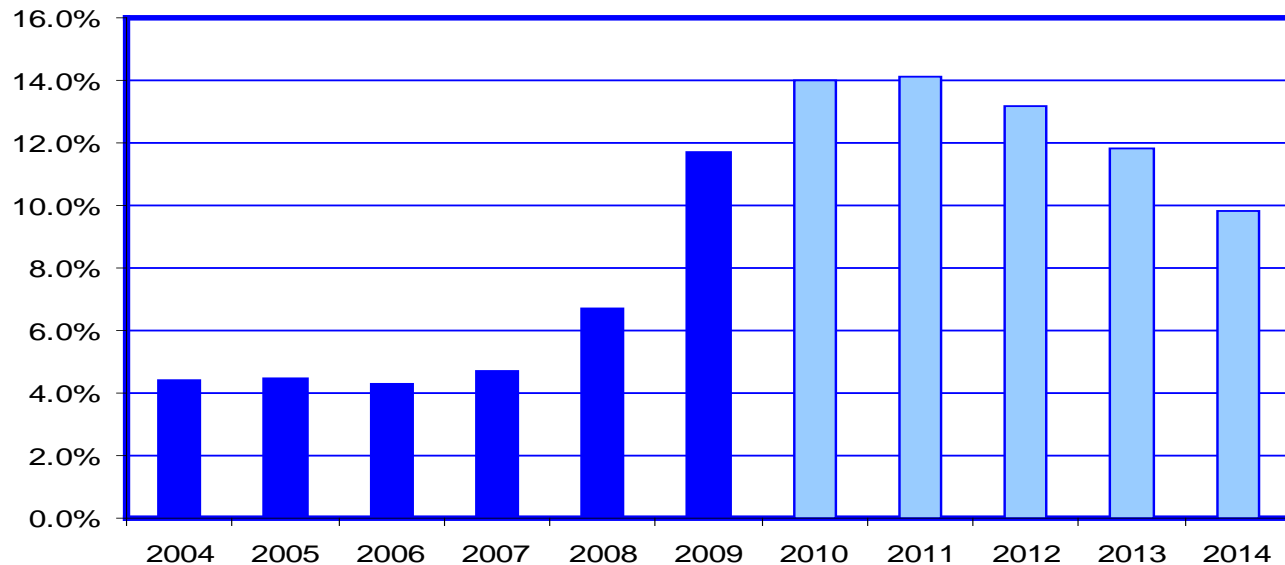
There are Approximately 120,000 Nevadans Receiving Unemployment Benefits



- About 40% of those are receiving regular State benefits.
- The remainder are receiving various Federally-funded benefits.



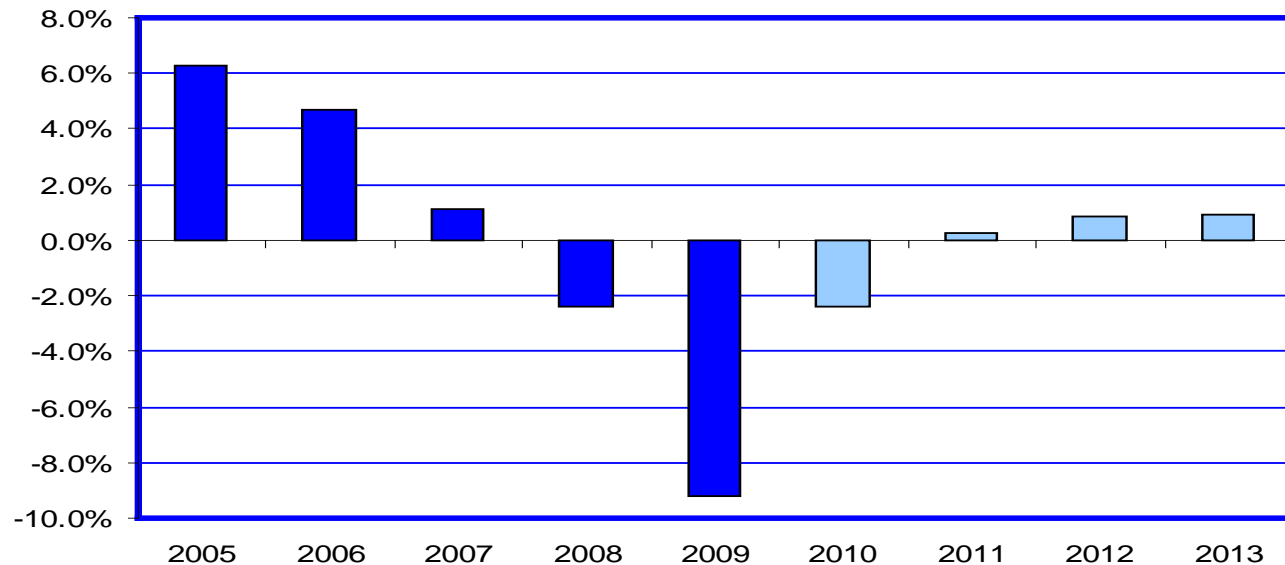
Unemployment Will Peak in 2011



- ❑ The jobless rate will creep up and then slowly start to recede.



Nevada's Employment Outlook is Weak



- ❑ Job declines are in the process of easing considerably.
- ❑ Beginning in 2011, job growth will turn slightly positive.

